

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL ENERGY REGULATORY COMMISSION**

**BROADWATER ENERGY LIQUEFIED
NATURAL GAS PROJECT**

**DOCKET NOS. CP06-54-000
CP06-55-000
CP06-56-000**

**STATE OF CONNECTICUT LNG TERMINAL SAFETY CONSIDERATION
ADVISORY REPORT**

On behalf of the Connecticut Long Island Sound Task Force, Richard Blumenthal, Attorney General of Connecticut, an intervenor in the above-captioned proceeding, hereby files this LNG Terminal Safety Consideration Advisory Report (Report) pursuant to Section 311(d) of the Energy Policy Act of 2005 and Section 3 of the Natural Gas Act, 15 U.S.C. § 717(b) (NGA), with the Federal Energy Regulatory Commission (FERC or the Commission) regarding the proposed Broadwater Liquefied Natural Gas (LNG) facility in Long Island Sound.

Governor's Task Force

On August 5, 2005, Governor Rell of the State of Connecticut issued Executive Order No. 9, establishing a task force to analyze, among other things, the safety and security impacts of the planned Broadwater LNG Project. Consistent with its statutory mandate, the Connecticut Long Island Sound Task Force (Task Force) is completing its draft report on safety, environmental, and economic consequences of the proposed Broadwater LNG Project. This report will detail the State of Connecticut's concerns with

the potentially significant impacts of the Broadwater Project on the Sound and will be submitted to the Commission forthwith

The importance of Long Island Sound -- environmentally, aesthetically, and economically -- cannot be overstated. Long Island Sound is particularly important economically to the Connecticut-New York region for a variety of commercial and recreational purposes.

The Task Force's report will be available in draft form in the near future. However, Section 3A of the NGA requires the State to provide an advisory report within 30 days of the filing of the Broadwater application. Consequently, to comply with this requirement and inform the Commission of the nature and extent of the State's safety and related concerns, the Task Force is providing the following list of issues that the Commission will need to address in reviewing this Project.

Safety and Related Considerations

1. Surface Vessel Safety and Security

The planned Broadwater floating storage and regassification unit (FSRU), and the LNG tankers that will ply the Sound to refuel the FSRU, pose a series of significant security threats. Natural gas is, by its very nature, extremely flammable and in certain circumstances can explode with immense force. The huge volumes of natural gas involved with this project, and the equally immense scale of the vessels themselves, pose a direct threat to commercial shipping and recreational boating in the Sound and particularly, the Race, the narrow area by which ships enter the Sound from the East. These safety issues derive both from the fire and explosion hazard, as well as from the very size of the Broadwater FSRU and LNG tankers and the potential for collisions.

created by vessels of that size. It is imperative that the Commission fully and carefully examine the nature and extent of the threat to surface vessels from both the LNG tankers and the FSRU.

An analysis prepared for the United States Environmental Protection Agency concluded that annual Long Island Sound shellfishing and finfishing resources could be valued at approximately \$148,000,000. Recreational use was valued in excess of \$300,000,000 and the total of all direct and indirect economic use of the Sound produced a "total use value" of more than \$5,200,000,000. Therefore, the Commission needs to examine in detail the impacts of the FSRU and LNG tankers on the approximately 200,000 registered recreational vessels as well as the large number of commercial bulk carriers and tankers that customarily use the Sound. The Commission will, in this regard, need to pay particular attention to the needs of commercial shipping to be able to access the important regional ports of New Haven and Bridgeport.

2. Terrorism

Terrorist threats against the United States and specifically its energy infrastructure continue to be made. The sheer scale of the Broadwater Project and its proximity to major population centers makes it an attractive target. The Commission, therefore, will need to address the potential for airborne and small boat attacks on the FSRU, as well as the possibility of an attack on, or attempted capture of, an LNG tanker. It must be noted that terrorist organizations have attempted, and occasionally succeeded, in hijacking ships at sea.

3. Submarine Base, New London

The United States Navy operates its longest serving submarine facility at the Submarine Base, New London. Numerous nuclear powered submarines transit the narrow waters of the Sound periodically and, in times of national emergency, these submarines may be required to pass through the Sound rapidly to address potential threats to the nation. Consequently, it is vital that FERC address the impact of the movement of LNG tankers, potentially including in excess of 100 shipments per year, through the Sound, when they will cross the designated channels used by the Navy's submarines.

In this regard, it is important to recognize that the potential for sub-tanker collisions is not negligible. In fact, a very serious LNG tanker-nuclear submarine collision occurred in 2002. The *Norman Lady*, an LNG carrier, was involved in a collision with the U.S.S. *Oklahoma City*, a nuclear powered attack submarine, east of the Strait of Gibraltar. The LNG carrier suffered a breach of its double bottom dry tank area and took on seawater but fortunately managed to remain afloat. This collision occurred in the open sea, not a narrow and confined shipping channel like the Sound. It shows that the likelihood of serious, damaging collisions is all too realistic.

4. Millstone

An additional unique and highly important concern is that the Broadwater LNG tankers will, by necessity, pass very close to the two reactors at the Millstone Nuclear Power Station in Waterford, Connecticut. Because an explosion on a large LNG tanker can produce an immense fireball and associated shock wave, there is the potential that an incident on a tanker at the wrong time and place could impact the nuclear power station. Thus, the Commission needs to address the dual potential effects of an LNG fueled

fireball with a release of radioisotopes in large quantity from either the two Millstone reactors or from the more vulnerable spent fuel pools at the same facility

5. Lobsters, Shellfish and the Marine Environment

Lobstering and commercial shellfishing are a vital element of Connecticut's aquaculture industry. For many years, the State of Connecticut has spent significant amounts of taxpayers dollars attempting to rebuild a shellfish industry that had been decimated by disease and pollution. Today, Connecticut's oyster and clam industry is among the best in the world. Its lobstering industry has been badly hurt by the recent lobster die-off, but may be recovering.

Beyond the commercial shellfishing and lobstering activities, however, there is the greater issue of the impacts from multiple large-scale utility projects on the vital and delicate marine ecosystem of Long Island Sound. In the last few years, there have been many pipeline, electric transmission cables and other planned or constructed projects that, individually and collectively, have negatively affected the waters and seafloor of the Sound.

Therefore, the Commission must thoroughly review the impact of the FSRU and the 22.6 mile long underwater gas pipeline and associated trenching operations on the marine environment, water quality and shellfish and lobster populations. That review must include the effects of any blasting of the seafloor in the event that Broadwater's preferred installation technique fails, and blasting must be used to install the proposed pipeline.

6. Iroquois Gas

While the information to date is highly contradictory, Broadwater asserts that its project will provide additional natural gas supplies to Connecticut through the existing Iroquois pipeline. However, as the Commission is surely aware, there is presently another docketed proceeding, PF06-6-000, which would upgrade the Iroquois pipeline to permit additional and substantial supplies of natural gas to Long Island using the same pipeline. Inasmuch as there is only one pipe and natural gas cannot be pumped in two directions simultaneously, the Commission will need to address the relative effects of both of these projects and their associated safety concerns.

7. Land Based Units.

Currently, Broadwater proposes at least two land based elements to its project. These pose a different series of safety and security concerns which need to be addressed in the context of the overall project.

8. Emergency Response Capabilities

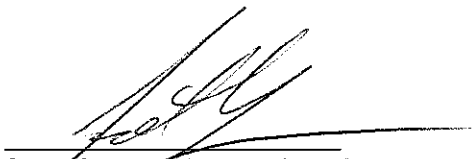
Section 3A(b) of the NGA specifically indicates that a state safety advisory report can identify the “emergency response capabilities near the facility location” that raise security issues. This is a particular problem with regard to Broadwater because, unlike a landside facility, all emergency response needs to be waterborne. Typically, emergency response is a community-level activity. For a typical industrial site, the local town or city provides ambulance and firefighting response.

There is no seacoast community in Connecticut that has waterborne firefighting or medical response capabilities that would be relevant in the event of an accident or

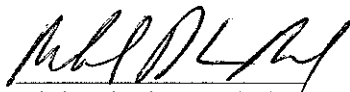
terrorist attack on the Broadwater facility. Therefore, the Commission must address how and by whom such capabilities will be provided.

CONCLUSION

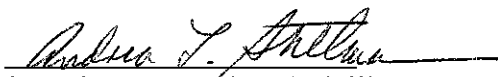
Broadwater is an immense, and unique, project. The NGA mandates a careful and sober consideration of the safety and security impacts of LNG facilities. We urge the Commission, therefore, to look carefully at alternatives, consider the cumulative impacts of all the relevant projects, and detail the likely safety and security impacts of this project.



State Senator Leonard A. Fasano
Chairman, Governor's Task Force



Richard Blumenthal
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State Senator Andrea L. Stillman
Vice Chairman, Governor's Task Force

Dated: March 1, 2006